



SOCIAL SECURITY

The Commissioner

October 22, 2014

The Honorable Dave Camp
Chairman, Committee on Ways and Means
United States House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Dear Mr. Chairman:

Each year I notify all Members of Congress regarding cost-of-living increases in Social Security benefits and related information. To keep you informed on such matters, I am enclosing a copy of a letter to one of our congressional committees of jurisdiction notifying the Chairman that the increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) over the statutorily required measuring period triggered a cost-of-living adjustment (COLA). The CPI-W increased from the third quarter of 2013 to the third quarter of 2014 by 1.7 percent. The resulting COLA increase will begin with benefits that Social Security beneficiaries receive for December 2014, which we pay in January 2015. Increased payments to Supplemental Security Income recipients will begin December 31, 2014.

We hand delivered notification letters to key Committee Chairpersons and Ranking Minority Members and mailed notification letters to all other Members of Congress. We are also sending copies of the congressional notification package to the other members of the Board of Trustees of the Social Security trust funds.

Sincerely,

Carolyn W. Colvin
Acting Commissioner

Enclosures

Wednesday, October 22, 2014
For Immediate Release



LaVenja J. LaVelle, Press
Officer
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News Release

SOCIAL SECURITY

Social Security Announces 1.7 Percent Benefit Increase for 2015

Monthly Social Security and Supplemental Security Income (SSI) benefits for nearly 64 million Americans will increase 1.7 percent in 2015, the Social Security Administration announced today.

The 1.7 percent cost-of-living adjustment (COLA) will begin with benefits that more than 58 million Social Security beneficiaries receive in January 2015. Increased payments to more than 8 million SSI beneficiaries will begin on December 31, 2014. The Social Security Act ties the annual COLA to the increase in the Consumer Price Index as determined by the Department of Labor's Bureau of Labor Statistics.

Some other changes that take effect in January of each year are based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to \$118,500 from \$117,000. Of the estimated 168 million workers who will pay Social Security taxes in 2015, about 10 million will pay higher taxes because of the increase in the taxable maximum.

Information about Medicare changes for 2015 is available at www.Medicare.gov.

The Social Security Act provides for how the COLA is calculated. To read more, please visit www.socialsecurity.gov/cola.

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NOTE TO CORRESPONDENTS: Attached is a fact sheet showing the effect of the various automatic adjustments.



Fact Sheet

SOCIAL SECURITY

2015 SOCIAL SECURITY CHANGES

o **Cost-of-Living Adjustment (COLA):**

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2013 through the third quarter of 2014, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 1.7 percent COLA for 2015. Other important 2015 Social Security information is as follows:

	<u>2014</u>	<u>2015</u>
o <u>Tax Rate:</u>		
Employee	7.65%	7.65%
Self-Employed	15.30%	15.30%

NOTE: The 7.65% tax rate is the combined rate for Social Security and Medicare. The Social Security portion (OASDI) is 6.20% on earnings up to the applicable taxable maximum amount (see below). The Medicare portion (HI) is 1.45% on all earnings. Also, as of January 2013, individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) pay an additional 0.9 percent in Medicare taxes. The tax rates shown above do not include the 0.9 percent.

o **Maximum Taxable Earnings:**

Social Security (OASDI only)	\$117,000	\$118,500
Medicare (HI only)	No Limit	

o **Quarter of Coverage:**

\$1,200	\$1,220
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o **Retirement Earnings Test Exempt Amounts:**

Under full retirement age	\$15,480/yr. (\$1,290/mo.)	\$15,720/yr. (\$1,310/mo.)
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NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit.

The year an individual reaches full retirement age	\$41,400/yr. (\$3,450/mo.)	\$41,880/yr. (\$3,490/mo.)
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NOTE: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.

There is no limit on earnings beginning the month an individual attains full retirement age.

o **Social Security Disability Thresholds:**

Substantial Gainful Activity (SGA)

Non-Blind	\$1,070/mo.	\$1,090/mo.
Blind	\$1,800/mo.	\$1,820/mo.
Trial Work Period (TWP)	\$ 770/mo.	\$ 780/mo.

o **Maximum Social Security Benefit: Worker Retiring at Full Retirement Age:**

	\$2,642/mo.	\$2,663/mo.
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o **SSI Federal Payment Standard:**

Individual	\$ 721/mo.	\$ 733/mo.
Couple	\$1,082/mo.	\$1,100/mo.

o **SSI Resources Limits:**

Individual	\$2,000	\$2,000
Couple	\$3,000	\$3,000

o **SSI Student Exclusion:**

Monthly limit	\$1,750	\$1,780
Annual limit	\$7,060	\$7,180

o **Estimated Average Monthly Social Security Benefits Payable in January 2015:**

	<u>Before 1.7% COLA</u>	<u>After 1.7% COLA</u>
All Retired Workers	\$1,306	\$1,328
Aged Couple, Both Receiving Benefits	\$2,140	\$2,176
Widowed Mother and Two Children	\$2,635	\$2,680
Aged Widow(er) Alone	\$1,253	\$1,274
Disabled Worker, Spouse and One or More Children	\$1,943	\$1,976
All Disabled Workers	\$1,146	\$1,165